

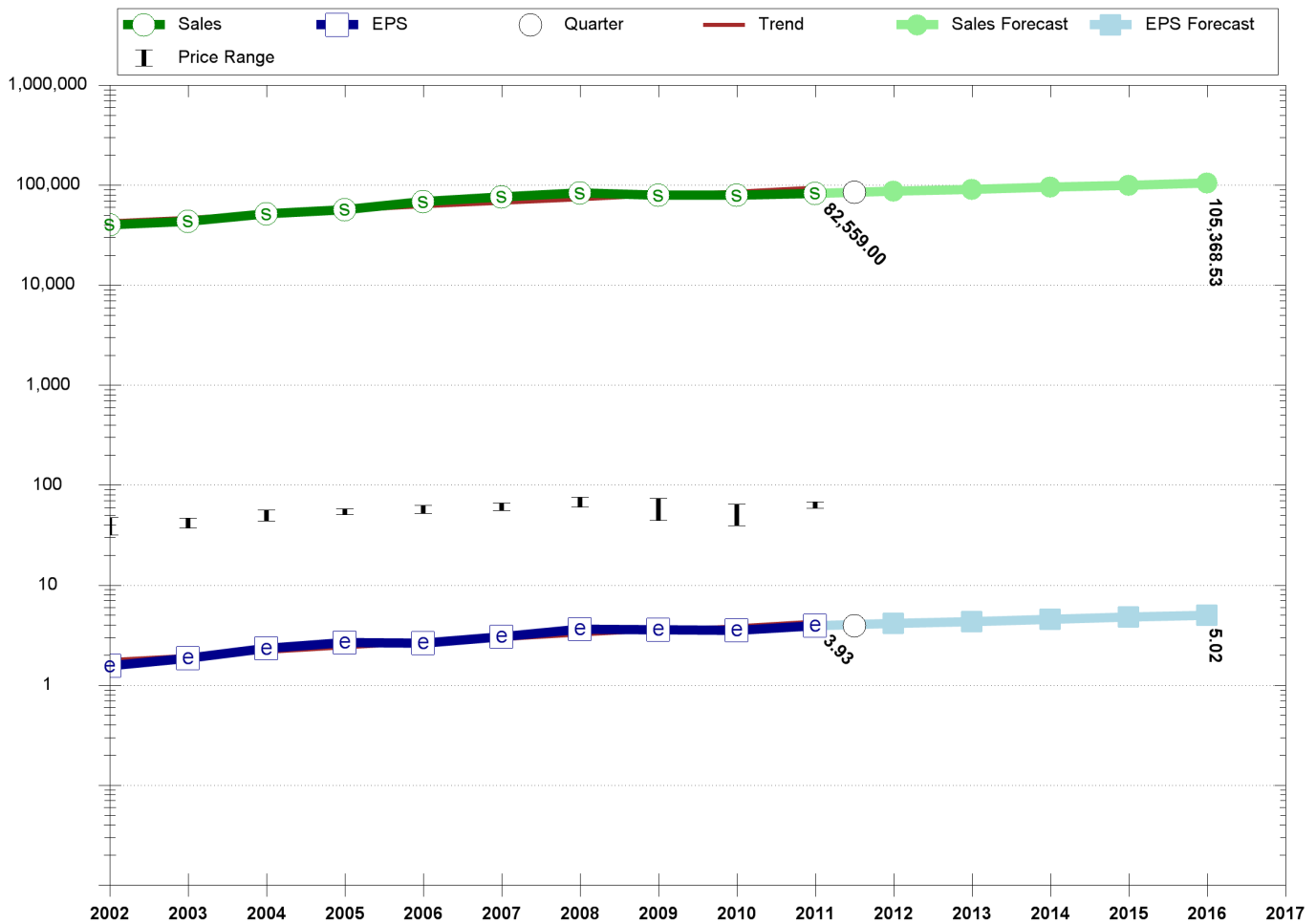
Company	The Procter & Gamble		Date	11/21/2011	
Prepared by	Taylor IV		Data taken from	BI Stock Data	
Where traded	NYSE		Industry	Household & Personal Products	
Capitalization ---	Outstanding Amounts		Reference		
Preferred (\$M)	1,221.0	% Insiders	% Institution		
Common (M Shares)	2,755.9	0.2	64.3		
Debt (\$M)	33,848.0	% to Tot Cap	34.2	% Pot Dil	6.9

Stock Selection Guide

Symbol: PG

1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY2011 Quarter Ending (09/11)	Sales (\$M)	Earnings Per Share
Latest Quarter	21,917.0	1.03
Year Ago Quarter	20,122.0	1.02
Percentage Change	8.92%	0.98%



- | | | | |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth | 8.9% | (3) Historical Earnings Per Share Growth | 10.3% |
| (2) Estimated Future Sales Growth | 5.00% | (4) Estimated Future Earnings Per Share Growth | 5.00% |

2 EVALUATING Management

The Procter & Gamble

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	Last 5 Year Avg.
Pre-tax Profit on Sales (Net Before Taxes/Sales)	15.86%	17.36%	18.19%	18.40%	18.20%	19.23%	19.25%	19.39%	19.06%	18.40%	19.07%
% Earned on Equity (E/S / Book Value)	33.27%	32.71%	37.86%	41.49%	14.10%	14.65%	16.31%	16.90%	16.77%	16.37%	16.20%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

PRESENT PRICE 61.7

HIGH THIS YEAR 67.72

LOW THIS YEAR 57.56

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
1 2007	66.30	55.25	3.04	21.81	18.17	1.280	42.11	2.32
2 2008	75.18	60.44	3.64	20.65	16.60	1.450	39.84	2.40
3 2009	73.57	43.93	3.58	20.55	12.27	1.640	45.81	3.73
4 2010	64.58	39.37	3.53	18.29	11.15	1.802	51.05	4.58
5 2011	67.72	58.92	3.93	17.23	14.99	1.970	50.13	3.34
6 TOTAL		257.9		98.5	73.2		228.9	
7 AVERAGE		51.6		19.7	14.6		45.8	
8 AVERAGE PRICE EARNINGS RATIO 17.2					9 CURRENT PRICE EARNINGS RATIO 15.6			

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 17.00 X Estimate High Earnings/Share 5.02 = Forecasted High Price \$ 85.34

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 14.64 X Estimate Low Earnings/Share 3.93 = Forecasted Low Price \$ 57.54

(b) Avg. Low Price of Last 5 Years 51.58

(c) Recent Market Low Price 39.37

(d) Price Dividend Will Support $\frac{\text{Present Dividend}}{\text{High Yield}} = \frac{2.100}{3.30\%} = 63.64$

Selected Forecasted Low Price 39.37

C ZONING using 25%-50%-25%

Forecasted High Price 85.34 Minus Forecasted Low Price 39.37 = 45.97 Range. 25% of Range 11.49

Buy Zone 39.37 to 50.86

Hold Zone 50.86 to 73.85

Sell Zone 73.85 to 85.34

Present Market Price of 61.66 is in the **Hold** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{85.34 - 61.66}{61.66 - 39.37} = \frac{23.68}{22.29} = 1.06$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Present Market Price}}{\text{Present Market Price}} = \frac{85.34 - 61.66}{61.66} = 1.38$ X 100 = 138.40 - 100 = 38.40 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Present Full Year's Dividend \$}}{\text{Present Price of Stock}} = \frac{2.100}{61.66} = 0.03 = 3.41\%$ Present Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{45.79\%}{17.00} = 2.69\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 6.72 %

Average Yield 2.69 %

Annualized Rate of Return 9.41 %